

Message Text

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12

ORIGIN OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 L-03 COME-00 TRSE-00 /043 R

DRAFTED BY OPIC:MORGAN/GILBERT:ARA:HWSHLAUDEMAN

APPROVED BY ARA:HWSHLAUDEMAN

EB - MR. COURTNEY

L/ARA - MR. GANT7

ARA/BC - MR. KARKASHIAN

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R 092328Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO

C O N F I D E N T I A L STATE 175059

E.O. 11652: GDS

TAGS: CI, EMIN

SUBJECT: COPPER COMPENSATION - EXOTICA

1. FOLLOWING IS THE TEXT OF A STATEMENT FURNISHED TO THE DEPARTMENT BY OPIC FOR POSSIBLE USE WITH THE GOC. WE WOULD APPRECIATE THE EMBASSY'S REACTION TO ITS CONTENT AND YOUR JUDGMENT AS TO THE TIMING OF AN APPROACH TO THE GOC ON THIS ISSUE.

2. BEGIN TEXT: THE DEPARTMENT HOPES THAT THE SETTLEMENT OF COMPENSATION PROBLEMS ARISING OUT OF THE NATIONALISATION OF THE CHUQUICAMATA AND EL SALVADOR MINES WILL PERMIT PROGRESS TO BE MADE ON COMPENSATION NEGOTIATIONS WITH OPIC CONCERNING THE NATIONALISATION OF THE EXOTICA MINE. OPIC, AS THE SUCCESSOR-IN-INTEREST OF THE ANACONDA SUBSIDIARY, CHILE COPPER, REPORTS THAT NEGOTIATIONS WERE BROKEN OFF BY THE CHILEAN SIDE AT THE LAST MEETING OF THE PARTIES IN MAY, 1974, AND THAT OPIC WAS TOLD BY THE CHILEAN NEGOTIATOR THAT HIS POSITION WAS FIRM AND THAT OPIC, IF IT WAS NOT WILLING TO ACCEPT THE GOC PROPOSAL, SHOULD APPEAL TO THE COPPER TRIBUNAL INSTEAD. AS A RESULT, EXOTICA IS THE ONLY ONE OF THE FIVE COPPER MINES AFFECTED BY THE 1971 NATIONALISATION LAW AS TO WHICH NO NEGOTIATIONS EITHER HAVE BEEN

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SUCCESSFULLY CONCLUDED OR ARE TAKING PLACE FOR SETTLEMENT

OF COMPENSATION QUESTIONS. USG HOPES THAT DISCUSSIONS CAN NOW RESUME IN THE CASE OF EXOTICA AND THAT A MUTUALLY SATISFACTORY SOLUTION CAN BE ACHIEVED. THE DEPARTMENT UNDERSTANDS THAT OPIC EXPRESSED TO CHILEAN SIDE WILLINGNESS TO DISCUSS SEVERAL POSSIBLE BASES FOR CALCULATING APPROPRIATE COMPENSATION IN ORDER TO REACH MUTUALLY SATISFACTORY SOLUTION. THE DEPARTMENT HOPES THAT FLEXIBILITY SHOWN BY GOC IN STRUCTURING ANACONDA SETTLEMENTS WILL BE OF USE IN ADVANCING NEGOTIATIONS ON EXOTICA. END TEXT. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMPENSATION, NATIONALIZATION, DIPLOMATIC COMMUNICATIONS, NEGOTIATIONS, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 09 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE175059
Document Source: CORE
Document Unique ID: 00
Drafter: MORGAN/GILBERT:ARA:HWSHLAUDEMAN
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740219-0844
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740858/aaaabytcy.tel
Line Count: 71
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN OPIC
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by rowelle0>; APPROVED <20 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COPPER COMPENSATION - EXOTICA
TAGS: EMIN, CI, US, OPIC, EXOTICA, ANACONDA
To: SANTIAGO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005